

SPEECH BY CLR GEOFFREY MAKHUBO, MEMBER OF THE MAYORAL COMMITTEE FOR FINANCE AT THE LAUNCH OF THE CITY OF JOHANNESBURG'S ANNUAL REPORT 2011/12.

31 January 2013

Programme Director

The City Manager

Members of the Panel

Members of the Media

Ladies and Gentlemen

The City of Johannesburg has made achievements on its financial position and service delivery and continues to build on a solid foundation.

This is reflected in our Annual Report for 2011/12 financial year being released and tabled in Council today.

The City's finances are stable, our capital expenditure was at 89% and it is improving and we have R5 billion net surplus.

Rating agencies, Fitch and Moody's retained their rating of Johannesburg during the year under review.

It was a year of achievements for Johannesburg despite the impact of the global financial downturn. This financial downturn also affected Joburg customers' ability to pay their bills.

Looking back at the 12 month period under review I want to refer briefly to some of the achievements made.

- Revised the City's long-term developmental strategy. Following an extensive engagement with experts, academics and communities across the city and we launched the Growth and Development Strategy (Joburg 2040) in October 2011.
- Simultaneously the City embarked on a comprehensive and thorough redesign of its institutional arrangements to meet the demands of a modern and growing city and to ensure the seamless implementation of the Joburg 2040.

- During the first 90 days of the new term we launched an accelerated service delivery programme to address particular challenges. The short time-frames instilled a sense of urgency in the organisation to achieve the desired outcomes within a brief period.
- The upgrading more than 9km of water and sewer networks in Fourways, Orange Farm and Alexandra; repairing more than 6 000 water meters; maintaining 96% of public lighting; patching more than 18 000 potholes; cleaning more than 100km of storm water pipes; and conducting cleaning and repairs at Dube, Diepkloof and Meadowlands hostels.

Programme Director,

The Report provides a comprehensive overview of the activities performed by all the City's Departments and Municipal-owned Entities. I want to mention just a few highlights of the 2011/12 year. The details are contained within the report.

- The Joburg Market is one of the biggest fresh produce market in the world in terms of volumes traded. Its annual turnover is about R2.8 billion with about 40 000 people visiting the market on a busy day.
- To develop marginalised areas by addressing socio-economic disparities, the City facilitated the development of a retail node in the Deep South. Engagements were undertaken with the National Treasury to access the Neighbourhood Development Partnership Grant to establish an Automobile Park in Alexandra as well as the Industrial Park in Ivory Park, which are expected to yield fruit in the 2012/13 financial year.

Programme Director, all of the above go towards demonstrating our achievement.

- Furthermore, the City successfully rolled-out 750 km of broadband optic fibre. When operational in the 2013/14 financial year, this will help to bridge the digital divide between rich and poor and lower the cost of doing business in Johannesburg through the provision of world-class IT services. This is in line with our Joburg 2040 Strategy goal to realise a smart city.
- Progress was made in the development of a social housing complex -- the O 'Reilly Development -- in City-owned land parcels in Berea. The development plan was approved and the process to construct 48 social housing units will soon commence.
- More than R628 million worth of investment was attracted into the Inner-City through the Urban Development Zone tax incentives.

- More than 3.2 million patients walked through the doors of the 80 primary health care facilities in Johannesburg during the year under review to receive free diagnosis, treatment, counselling and care from the City's trained clinicians and highly qualified nursing staff.
- The provision of waste services concentrated on cleanliness levels and illegal dumping. This was carried out by Pikitup through street sweeping, the re-introduction of five days a week cleaning at 119 informal settlements, by-law enforcement and awareness campaigns. All households in the City, in formal and informal settlements, now have access to the basic weekly refuse removal service.
- Rea Vaya BRT transported an average of 42 000 passengers per day, exceeding the target of 40 000. In the third and fourth quarter the bus occupancy rates during peak hours reached 95%. Four new stations were opened along Rissik and Harrison Streets, at Park Station, and a second station along the Soweto Highway at Booysens.

Programme Director, we are however, still faced with a number of Challenges including billing, formalisation of informal settlements, etc.

The Mayoral Committee led by the Executive Mayor welcomes the Auditor General's audit findings, it reflects the positives and highlight challenges that still need to be addressed. The report assists us in executing our oversight and scrutiny role.

Under the positives, we are happy that most of the 2010/11 findings have been resolved. The 2011/12 findings relate to billing estimates and fixed assets. We will focus on ensuring that the city does address these issues.

Programme Director, the City is committed to a clean audit. We are committed to Local Government Turnaround Strategy.

We are determined to achieve this by amongst others, tightening our internal controls and holding management accountable.

We call on residents and stakeholders of Johannesburg to engage with the Annual Report and to provide feedback through the existing channels. There are a growing number of opportunities available to communities to engage with the City through ward committees, initiatives taken by the Office of the Speaker and the annual Budget and IDP processes.

Thank you.

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